

NICKERSON & ASSOCIATES LLC

Economists ▪ Statisticians ▪ Data Analysts

10/3/2018

Tom Holt
Littler Mendelson
One Union Square
600 University Street Ste. 3200
Seattle, WA 98101

Dear Mr. Holt,

This letter is in response to your request that I provide an analysis of economic loss to USI Insurance Services National, Inc. ("USI"), the plaintiff in this case, as a result of the following alleged causes of action as outlined in the plaintiff's *Amended Complaint for Damages and Injunctive Relief*: Breach of Contract, Breach of Duty of Loyalty, and Tortious Interference with Contract and/or Business Expectancy.

Qualifications

I am an economist and the principal of Nickerson & Associates, LLC, a Seattle-based consulting firm specializing in economic and statistical analyses, especially analyses that require the use of large data sets. I have a Ph.D. from the University of Washington. In addition to my experience as a consultant, I was a tenured professor of economics at Seattle University for 13 years and taught at New York University as an adjunct professor. I also founded, took public, and sold an Internet technology company that specialized in the analysis and classification of large amounts of data. As a consultant, I have worked extensively in the areas of wage and hour litigation, valuation and damage calculations, and in various areas of business practices including copyright infringement and breach of contract. I have qualified as an expert and testified in depositions and in trial in federal and state courts in Alaska, Oregon, California, Washington, Idaho, Arizona, and Virginia. I have attached a vita and a description of my consulting firm to this report as Appendix A. I have also included a list of all documents and data reviewed in preparing this report as Appendix B as well as a table of our estimates in Appendix C.

Background

USI is a commercial insurance broker and sells insurance and products in Washington and throughout the United States. One of the markets that USI services nationwide is the marine industry. ABD Insurance and Financial Services, Inc. ("ABD") is also a commercial insurance broker and sells insurance services and products in Washington and throughout the United States, and is a direct competitor of USI, including in the marine industry.

It is my understanding that in this case, USI alleges that defendant ABD encouraged defendants Stanley Ogden, Marcia Ogden, Eleanor O'Keefe, Lewis Dorrington, John Haskell, Mary Mark, and Cory Anderson to breach their employment agreements with USI by soliciting USI's customers while employed by the defendant.

Lost Profits

In order to calculate the total economic losses as a result of the loss of the accounts to ABD, I was provided with and utilized business records in the form of financial statements and account information reports from USI, and applied the calculations out 10 years¹ after the end of the financial reporting period of January 31, 2017.

The financial statements give product line revenue ("PLR") totals for each sales executive, also known as a producer, as well as calculations of associated costs and savings as a result of the loss of accounts. The account information reports list all revenues for accounts under each producer for the period spanning February 2016 and January 2017, and indicate which of the accounts moved to defendant ABD. Based on these business records, I calculate \$4,436,712 ("base revenue losses") as the total revenues paid to USI during the 12-month period spanning February 1, 2016 and January 31, 2017 by the clients that moved to ABD. I carry this amount forward in each year of economic losses, adjusting by the various amounts described later in this section.

In the financial statements, USI calculates an average annual revenue loss of 3.9% between 2014 and 2016, which accounts for both retention and organic growth. Therefore, I assume a blended annual retention/growth rate of $100\% - 3.9\% = 96.1\%$. I apply this blended rate to the base revenue losses to calculate my estimate of lost revenues in each year, to account for organic retention and growth.

In the defendants' employment contracts with USI, the minimum time allowed before a departed producer may solicit accounts from USI is either two or three years, depending on the individual. If this had been the case, they would successfully transfer 30%² of those accounts to the new broker-- hence, a 70% retention rate in the third year only for John Haskell, and in the fourth year only for the remaining individual defendants. The retention rate then reverts to 96.1% in each year thereafter.

Based on the data³ in the financial statements, I assume an annual travel and entertainment expenses rate of 2.86%, and a benefits, taxes, and bonuses rate of 7.5%. Combined, these result in a total annual expenses rate of 10.36%. These are calculated as a savings since they are expenses that USI would be paying, but for the loss of the accounts. From the same financial statements, I assume an annual sales compensation rate of 23.48% and an annual non-sales compensation rate of 19.82%, totaling 43.3% in paid out compensation. This is also calculated as a savings.

USI estimates that USI would have had the capacity to service one-third of the accounts, had the individual defendants moved to ABD but not taken the accounts. In order to quantify the need to restore the level of personnel to service all of the accounts, I include a one-time FTE Onboarding figure, calculated as one-fifth of the sales commissions saved for the first year of damages. It is calculated as a savings, since it is a cost USI would have incurred, but for the loss of the accounts.

¹ According to Bryan Tilden, a 95% retention rate corresponds to an average account lifetime of 13.5 years. Because there was a 96.1% retention rate observed in the business records, I opted to calculate economic losses out 10 years.

² According to Bryan Tilden, departed producers at a new employer, having waited the appropriate non-solicitation period, transfer on average 30% of their former accounts from the previous employer to the new one.

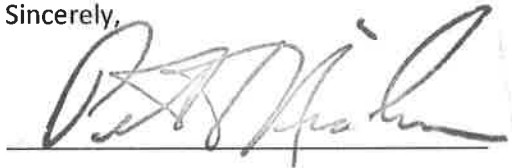
³ I calculated the rates in this paragraph based on the 2016 data in the "Pro forma" report.

Based on the yields on 10-year Treasury instruments reported on September 14, 2018, I assume a 2.99% Present Value discount rate.

Without adjusting for present value, I calculate a total projected loss of \$13,243,185 after taking all of these items into account. I calculate a Present Value-adjusted projected loss of \$12,404,688. Both calculations reflect the 10-year period spanning February 1, 2017 and January 31, 2027.

The opinions expressed in this report are subject to change if other information becomes available. Please do not hesitate to contact me if I can be of additional assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter H. Nickerson", written over a horizontal line.

Peter H. Nickerson, Ph.D.

NICKERSON & ASSOCIATES LLC

Economists • Statisticians • Data Analysts

Nickerson & Associates LLC is a consulting firm specializing in applying economics, statistics, and computer-related analyses to business and public policy issues for more than 35 years. Our clients have included numerous law firms; Fortune 500 companies; small and medium size businesses; federal, state, and local government entities; the U.S. Department of Justice; and labor and trade organizations. As consultants we have calculated damages in litigation; performed numerical, statistical, and econometric analyses both for litigation and public policy studies; and provided expert testimony in jury and bench trials on numerous occasions. In related capacities, we have been integrally involved in mediation and settlement discussions and served as Settlement Administrators in a number of class action cases.

Economic Analyses

Nickerson & Associates LLC is often asked to apply economic reasoning and theory to analyze real-world events. We have, for example, forecasted timber harvests in light of environmental laws, studied the effect of an oil spill on fishery permit prices in Alaska, and analyzed corporate restructuring plans and the effect of such plans on the age and gender distribution of employees. In the public policy arena, we have carefully analyzed and constructed simulations of the effect of agency rules on the distribution of state contracts across contractors and the effect of such policy on individual firms.

Econometric and Statistical Analyses

Often we are asked to perform econometric and statistical analyses to test for the inference of causality or relatedness. Employment decisions, environmental damage and forecasting typically lend themselves to this sort of analyses. We often discuss with clients our opinion regarding the appropriateness of using statistical analyses in certain circumstances and have been asked on numerous occasions to assess others' statistical work and the integrity of data.

Damages

Much of the litigation work performed by Nickerson & Associates LLC involves economic damage assessment. Examples include economic loss in individual employment cases, development of structured settlement methodologies in class action consumer and wage and hour cases, class loss estimates for corporate restructuring employment cases, and estimates of losses in contract disputes. On a number of occasions, we have been asked to develop computerized loss estimate systems to be used in settlement discussions.

Database Development and Compilation of Computerized Database Records

A particular area of expertise for Nickerson & Associates LLC is the area of database development. By developing databases with high levels of integrity we provide more accurate analyses, are able to more carefully review and critique the work done by other experts, and can also provide our clients more complete and more quickly accessible information. Using existing electronic data, we have constructed databases as large as seven million records with 160 variables in each record. We have also constructed computerized databases using non-electronic information as the primary source. In one age discrimination case against a federal agency, we constructed a sound, analytical database from 80 boxes of job applications, personnel files, and employment decision records.

Class Actions and Class Action Settlement Administration

Nickerson & Associates LLC has both worked with court-appointed Settlement Administrators and been appointed the Settlement Administrator for a number of class action settlements. We have performed this work for classes as small as one hundred and as large as 35,000 individuals. We have been responsible for locating and notifying class members, responding to class members' inquiries, calculating individual awards, disbursing both the class awards and attorney's fees, and managing the settlement accounts.

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Selected Cases

Shannon v. McNally, National Football League (WEC 116622), Superior Court of California, Los Angeles, 1987

In Re: the Exxon Valdez (A89-0595-CV (HRH)), U.S. District Court, Alaska, 1989

Adams et al. v. Fred Meyer (3AN-90-10286), Superior Court of Alaska, 1990

UFCW et al. v. Nordstrom (90-2-04282-1) Superior Court of Washington, King County, 1990

Clark et al. v. Carr-Gottstein Foods Co. (A-94-0587-CD), U.S. District Court, Alaska, 1994

Olsen v. Payless Drugstores, NW (94-2-07361-9) Superior Court of Washington, Pierce County, 1994

Citizens Alliance to Protect Our Wetlands v. U.S. Corps of Engineers et al. (C95-591Z), U.S. District Court, Western Washington, 1995

Fox et al. v. Bonneville Power Administration (3:95-cv-01873-JE), U.S. District Court, Oregon, 1995

Migliuri v. First Interstate Bank of Washington (95-2-05972-8), Superior Court of Washington, King County, 1995

Sharp et al v. Overlake Hospital Medical Center (2:95-cv-01008-JCC), U.S. District Court, Western Washington, 1995

Laughman et al. v. Wells Fargo Leasing Corp. (96 C 925), U.S. District Court, Northern Illinois, 1996

Ebeling et al. v. United Airlines (2:97-cv-00347-JCC), U.S. District Court, Western Washington, 1997

Davis v. WA Department of Ecology (ALLO-02-0033), Personnel Appeals Board, 2002

Saccoccia v. Bozeman (DV-02-223), U.S. District Court, Montana, 2002

Corbis Corp. v. Amazon.com (CV-03-1415L), U.S. District Court, Western Washington, 2003

Cao v. City of Seattle (04-2-21734-2 SEA), Superior Court of Washington, King County, 2004

Pitts v. Murreys Disposal (04-2-07512-8), Superior Court of Washington, Pierce County, 2004

Stuart v. Swinerton (04 2 16611 0 KNT), Superior Court of Washington, King County, 2004

Gooden v. Eagle Transport (05-2-13546-3), Superior Court of Washington, King County, 2005

Gonzalez et al. v. OfficeMax (C07-02399 SC), U.S. District Court, Southern California, 2007

Olsen v. Hoot Winc (71-160-0045505 JOIB), American Arbitration Association, 2005

Appendix A

Selected Cases, Cont.

Schubeck v. King County (05-2-42224-6 SEA), Superior Court of Washington, King County, 2005

Tolbert v. Glacier (05-2-06976-7 SEA), Superior Court of Washington, King County, 2005

Turner v. University of Washington (CV05-1575L), U.S. District Court, Western Washington, 2005

Wagner v. PMA (CV05 1729 ST), U.S. District Court, Oregon, 2005

Watkins v. UPS (CV-05-1611-RSL), U.S. District Court, Western Washington, 2005

Elliott v. Cadman, Inc. (06-2-29743-1 SEA), Superior Court of Washington, King County, 2006

Lucky Break Wishbone v. Sears (06cv0312 TSZ), U.S. District Court, Western Washington, 2006

MP Medical Inc. v. Halls Medical (06-2-25495-3 SEA), Superior Court of Washington, King County, 2006

Fewel (Doe minor) v. Schnall (06-2-03644-1 SEA), Superior Court of Washington, King County, 2006

Nguyen v. Hardel Mutual Plywood (07-2-00661), Superior Court of Washington, Lewis County, 2007

Hurtado-Lopez v. Armadillo Bay (RG 08390556), Superior Court of California, Alameda County, 2008

Ballard v. TriMet (cv-09-873-PK), U.S. District Court, Oregon, 2009

Rojas v. Sunview Vineyards (09-cv-00705-AWI-SMS), U.S. District Court, Eastern District of California, 2009

Brink's Incorporated Wage And Hour Cases (BC423237, BC410374, BC392462), Superior Court of California, Los Angeles County, 2010

Faust v. Comcast (1:10-cv-02336-WMN), U.S. District Court, Northern District of Maryland, 2010

Lagos et al. v. Cogent Communications (4:11-cv-04523), U.S. District Court, Southern District of Texas, Houston Division, 2011

McCoy v. North Slope Borough (2:11-cv-00001 SLG), U.S. District Court, Alaska, 2011

PETER H. NICKERSON, PH.D.

**520 Pike Street, Suite 1200
Seattle, WA 98101-4001**

**Main: (206)332-0270
Direct: (206)332-0271
Email: phn@nickersonassociates.com**

SUMMARY

Over 35 years' experience as a consultant in economic and statistical analyses, damage calculations, mediation, and settlement administration. Testimony given in court, by deposition and by affidavit, in Federal and State proceedings throughout the United States. Six years' experience in the software/Internet industry as founder and CEO. Led initial development and took company public, raising over eighty million dollars. Thirteen years as a university professor teaching both graduate and undergraduate courses.

EXPERIENCE

Nickerson & Associates LLC, Seattle, WA

1978 –Present

Principal and President of Economics and Statistics consulting firm.

- Direct and manage consulting engagements for law firms and their clients involved in litigation relating to labor and employment issues, natural resources, and commercial transactions. Work includes mediation preparation, damages estimation, statistical and economic analyses, and public policy analyses.
- Served as Settlement Administrator in class action cases and as such responsible for notification of class members, damage calculations, award distribution, and general administration.
- Testified in numerous cases; qualified as expert in Federal and State Courts in Oregon, Washington, California, Iowa, Montana, and Alaska.
- Engaged to analyze legislative and administrative decisions as they affect public policy and potential liability.
- Taught and presented various aspects of the economics of child support, economic damages, and expert preparation to Washington State Judges Conferences, National Institute for Trial Advocacy, Pacific Coast Labor Conference, MALDEF.
- Supervise and manage nine full-time professionals and support staff and various contract professionals as needed.

Seattle University, Seattle, WA

2014 – 2015

Adjunct Professor of Economics

New York University, New York, NY

2010 – 2013

Adjunct Professor of Economics

EXPERIENCE *(continued)*

N2H2, Incorporated

1995 – 2001

Chief Executive Officer, President and Founder of Internet content management business.

- Grew Internet company from inception to over \$10 million in annual sales and 250 employees, selling computer services to over 40% of K-12 education base in the U.S. and Australia and to businesses and educational institutions in thirteen other countries.
- Raised \$15 million in private capital and led company through a \$60 million public offering.
- As CEO made scores of presentations in public forums, investment conferences, education conferences and computer conferences about Internet content management, computer use in schools and businesses, and Internet content technology.
- Led numerous company initiatives and teams encompassing virtually all aspects of company functions including development, product management, customer service, marketing, and finance.

Seattle University, Seattle, WA

1984 - 1997

Visiting Assistant, Assistant, and ultimately Associate Professor for the Department of Economics and Finance, Albers School of Business and Economics, Seattle University. Tenured in 1991.

- Taught graduate and undergraduate courses in micro- and macro-economics, industrial organization, natural resources, and environmental economics.
- Served on numerous university, school, and departmental committees; Created, raised funding, and managed the University Adult Literacy Project; Created and served on the Board of the University Children's Literacy Project.
- Published various articles on resources, child support, and taxation in refereed journals, proceedings, and newspapers; served as session chair, discussant, and paper presenter at various professional conferences.
- Awarded Albers School of Business faculty research award and School of Business summer research grants

University of Washington, Seattle, WA

1976 – 1983

- Teaching Associate, Department of Economics and the School of Business, University of Washington.
- Research Assistant, Department of Economics and Institute of Marine Sciences, University of Washington.

EDUCATION

University of Washington, Seattle, WA

- Ph.D. in Economics **1984**
Fields of concentration were microeconomics, natural resources, and public finance. Research in natural resources and lottery allocation systems as they function as pricing mechanisms.
- Master of Science in Economics **1978**
Major coursework in macro and micro economic theory, econometrics, and natural resources. Estimated demand for recreational shellfish resources for Institute for Marine Sciences.

Washington State University, Pullman, WA

- B.A. in Economics and Business **1975**

Stevens Institute of Technology, Hoboken, N.J.

- Engineering major **1970 - 1972**

DIRECTORSHIPS

Chairman of the Board, N2H2, Incorporated, 1995 – 2003.

Chairman of the Board, Iseek Limited, Brisbane Australia, 2000 – 2001.

Board of Directors, One Name Corporation, Seattle, WA 2000 – 2001.

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Rates and Billing

Hourly rates for Nickerson and Associates staff are as follows:

Peter Nickerson, Ph. D.	\$550
Randall R. Rucker, Ph. D.	\$425
Eshwari Rao	\$350
Verushka Fitzgerald	\$300
Kyle Snow	\$300
Ben Crockett	\$275
Tara Atkinson	\$200
Steven Turi	\$150
Project Staff	\$120 - \$160

Work is performed on a time and expenses basis.

During the course of an engagement, there may be out of pocket and other expenses incurred by Nickerson & Associates in connection with the performance of services, including but not limited to travel, telephone, and other miscellaneous expenses. Expenses will be paid directly by Nickerson & Associates LLC to the vendor and included on the next invoice to the client. Monthly billing will include expenses incurred and actual hours worked. Payments are due upon receipt of the invoice. In certain situations a retainer may be requested.

Please call Tara Atkinson, Operations and Accounting Manager, at 206-322-0270 with any questions.

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Peter H. Nickerson, Ph.D.
Depositions and Trial Testimony
2012—2018

CASE	COURT	YEAR	DEPOSITION	TRIAL TESTIMONY
Zemplenyi v. Group Health Cooperative	U.S. District Court, Western Washington	2012	YES	
Jennett v. Jefferson Community Counseling Center d.b.a Jefferson Mental Health Services	Superior Court of Washington, Jefferson County	2012	YES	YES
Klein v. Omeros	U.S. District Court, Western Washington	2012	YES	
Acosta v. Tyson Foods	U.S. District Court, District of Nebraska	2013		YES
McCoy v. North Slope Borough	U.S. District Court, District of Alaska	2013	YES	
Rufin v. City of Seattle	Superior Court of Washington, King County	2014		YES
Baricuatro v. Industrial Personnel Management Services et al.	Superior Court of Washington, King County	2014	YES	
Newell v. HomeCare of WA	Superior Court of Washington, Spokane County	2014	YES	
Federal Home Loan Bank of Seattle v. Morgan Stanley, Goldman Sachs, UBS Securities, Deutsche Bank Securities, Merrill Lynch, and Credit Suisse Securities	Superior Court of Washington, King County	2015	YES	
Eat Right Foods v. Whole Foods	U.S. District Court, Western Washington	2015	YES	
Griffus et al. v. Knight Transportation	Oregon Circuit Court, Multnomah Country	2015		YES
Williams v. Microsoft	Superior Court of Washington, King County	2015	YES	YES
Miglio v. United Airlines	U.S. District Court, Western Washington	2015	YES	
Borden v. Embassy Management	Superior Court of Washington, Pierce County	2016	YES	
Weil v. Citizens Telecom and Frontier Communications	U.S. District Court, Western Washington at Seattle	2016	YES	
Loczi v. Daimler Trucks	Oregon Circuit Court, Multnomah Country	2016		YES
Kayshel v. O'Brien Auto	Superior Court of Washington, King County	2017	YES	

Appendix B: List of Documents Reviewed

1. *Plaintiff's Amended Complaint For Damages And Injunctive Relief*, filed 12/18/2017
2. *ABD Marine Lost rev proforma 2012-2016 v3* spreadsheet, 8/3/2018
3. *USI v. Ogden, et al. – Account Information [Current 7/30/18]* spreadsheet, 7/30/2018
4. *USI v. Ogden, et al. – Lost Revenue Totals [Current 7/30/18]* spreadsheet, 7/30/2018
5. *2016 Best Practices Study*, conducted by Reagan Consulting, 2016
6. *2017 Best Practices Study*, conducted by Reagan Consulting, 2017
7. Expert Report from R. Bryan Tilden for the case *USI v. Northeast Series of Lockton Companies, LLC, et al.*, 6/28/2018
8. Expert Report from Ricardo J. Zayas for the case *USI v. Northeast Series of Lockton Companies, LLC, et al.*, 6/28/2018

Appendix C: Report Tables

Table 1: Projected Losses										
Description	Period Start	Period End	Fraction of Year	Expected Cash Revenue Loss (Adj. for Retention) ⁽⁵⁾	Prorated Revenue Based on Fraction of Year ⁽⁶⁾	Expenses Savings ⁽⁷⁾	Sales Commission Savings ⁽⁸⁾	FTE Onboarding Savings ⁽⁹⁾	Projected Loss ⁽¹⁰⁾	Present Value (PV) ⁽¹¹⁾
Reference Period ⁽¹⁾	2/1/2016	1/31/2017	1.00	\$ 4,436,712.20						
Year 1 - past	2/1/2017	1/31/2018	1.00	\$ 4,263,680.42	\$ 4,263,680.42	\$ (441,547.35)	\$ (1,846,318.09)	\$ (369,263.62)	\$ 1,606,551.36	\$ 1,685,060.51
Year 2 - past ⁽²⁾	2/1/2018	9/13/2018	0.62	\$ 4,097,396.89	\$ 2,538,109.74	\$ (262,847.00)	\$ (1,099,087.52)	\$ -	\$ 1,176,175.22	\$ 1,197,837.35
Year 2 - future ⁽²⁾	9/14/2018	1/31/2019	0.38	\$ 4,097,396.89	\$ 1,559,287.15	\$ (161,480.00)	\$ (675,224.17)	\$ -	\$ 722,582.98	\$ 722,582.98
Year 3 - future ⁽³⁾	2/1/2019	1/31/2020	1.00	\$ 3,835,753.47	\$ 3,835,753.47	\$ (397,231.17)	\$ (1,661,011.22)	\$ -	\$ 1,777,511.08	\$ 1,757,693.25
Year 4 - future ⁽⁴⁾	2/1/2020	1/31/2021	1.00	\$ 2,756,318.89	\$ 2,756,318.89	\$ (285,444.77)	\$ (1,193,579.47)	\$ -	\$ 1,277,294.64	\$ 1,226,384.92
Year 5 - future	2/1/2021	1/31/2022	1.00	\$ 2,648,822.45	\$ 2,648,822.45	\$ (274,312.43)	\$ (1,147,029.87)	\$ -	\$ 1,227,480.15	\$ 1,144,340.14
Year 6 - future	2/1/2022	1/31/2023	1.00	\$ 2,545,518.37	\$ 2,545,518.37	\$ (263,614.24)	\$ (1,102,295.71)	\$ -	\$ 1,179,608.42	\$ 1,067,784.12
Year 7 - future	2/1/2023	1/31/2024	1.00	\$ 2,446,243.16	\$ 2,446,243.16	\$ (253,333.29)	\$ (1,059,306.18)	\$ -	\$ 1,133,603.69	\$ 996,349.69
Year 8 - future	2/1/2024	1/31/2025	1.00	\$ 2,350,839.67	\$ 2,350,839.67	\$ (243,453.29)	\$ (1,017,993.23)	\$ -	\$ 1,089,393.15	\$ 929,694.19
Year 9 - future	2/1/2025	1/31/2026	1.00	\$ 2,259,156.93	\$ 2,259,156.93	\$ (233,958.61)	\$ (978,291.50)	\$ -	\$ 1,046,906.82	\$ 867,497.93
Year 10 - future	2/1/2026	1/31/2027	1.00	\$ 2,171,049.81	\$ 2,171,049.81	\$ (224,834.23)	\$ (940,138.13)	\$ -	\$ 1,006,077.45	\$ 809,462.58
Total					\$ 29,374,780.06	\$ (3,042,056.39)	\$ (12,720,275.10)	\$ (369,263.62)	\$ 13,243,184.96	\$ 12,404,687.67
(1) The figures in this period are based on the July 30, 2018 "USI v. Ogden et al. - Lost Revenues Totals" spreadsheet provided by USI										
(2) This 12-month period has been split into two parts, based on the reference date of September 14, 2018										
(3) This 12-month period uses a revised retention rate, assuming Haskell only had been able to transfer 30% of his accounts after waiting his contract-specified two years										
(4) This 12-month period uses a revised retention rate, assuming the remaining individuals had been able to transfer 30% of their accounts after waiting their contract-specified three years										
(5) These amounts are calculated assuming a 96.1% blended retention and organic growth rate from the previous 12-month period's revenue total, based on the August 3, 2018 "ABD Marine Lost rev proforma" spreadsheet provided by USI										
(6) These amounts are prorated numbers based on what fraction of a year the row reflects										
(7) These amounts are calculated as 10.36% of the "Prorated Revenue" amount, based on the 2016 Benefits, Taxes, Travel, and Entertainment costs found in the August 3, 2018 "ABD Marine Lost rev proforma" spreadsheet provided by USI										
(8) These amounts are calculated as 43.3% of the "Prorated Revenue" amount, based on the 2016 Sales and Non-Sales comp figures found in the August 3, 2018 "ABD Marine Lost rev proforma" spreadsheet provided by USI										
(9) I apply a one-time savings of 20% of the first year's sales commission savings, to estimate the cost needed to onboard the necessary personnel to service the relevant accounts, had they remained with ABD										
(10) These amounts are the projected losses for each time period, taking expenses, sales commissions, and FTE onboarding into account, where applicable. Present Value is not reflected here										
(11) Present Value-adjusted projected losses, using the reported 2.99% return on 10-year Treasury instruments as of September 14, 2018										